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Immigration & Labor Force: Today & Tomorrow



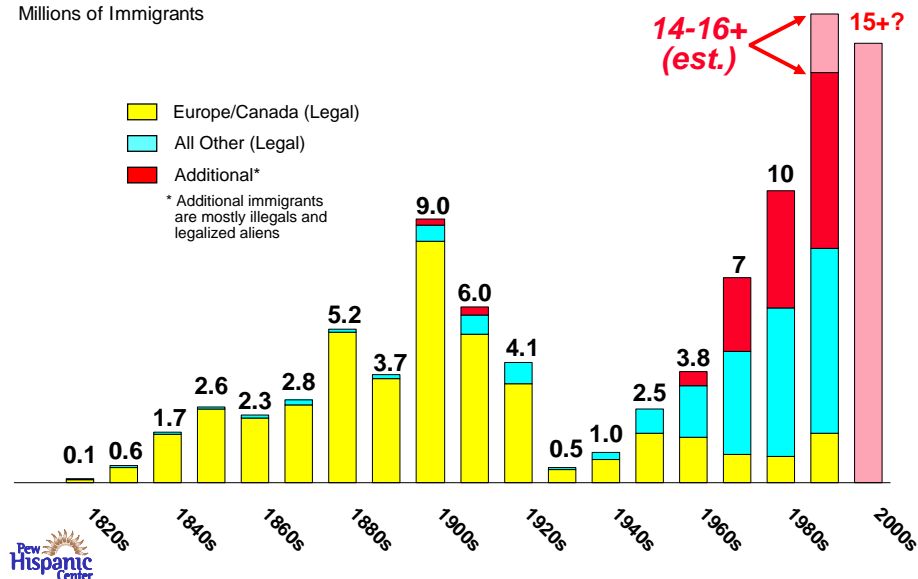
Social Security Advisory Board
Forum on Immigration and Social Security
Washington, DC
September 7, 2005

Immigration Patterns

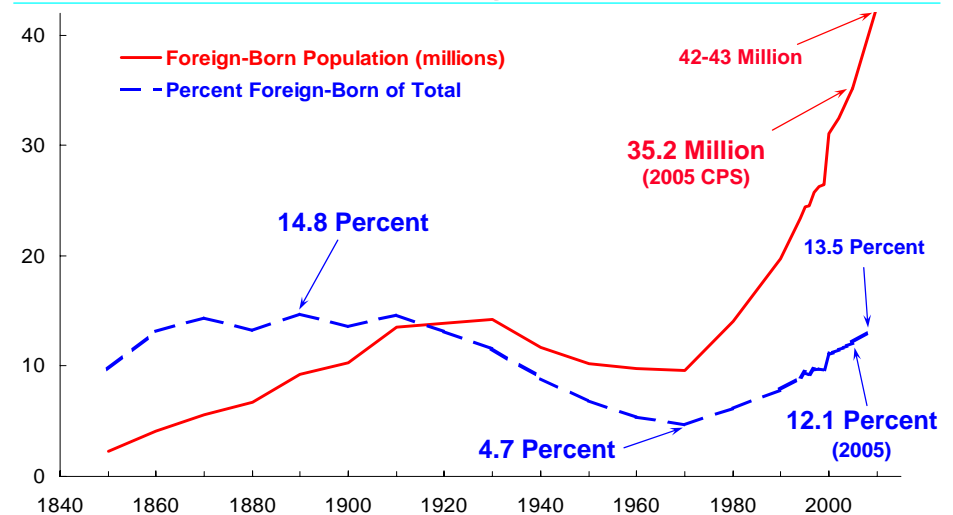
- **Demography of Immigration**
 - Growing Numbers
 - Origins & Legal Status
 - Regional Diversification
- **Economic Issues**
 - Education & Income
 - Role in Labor Force
 - Impact on LF & Population

Current In-Flows are Very High

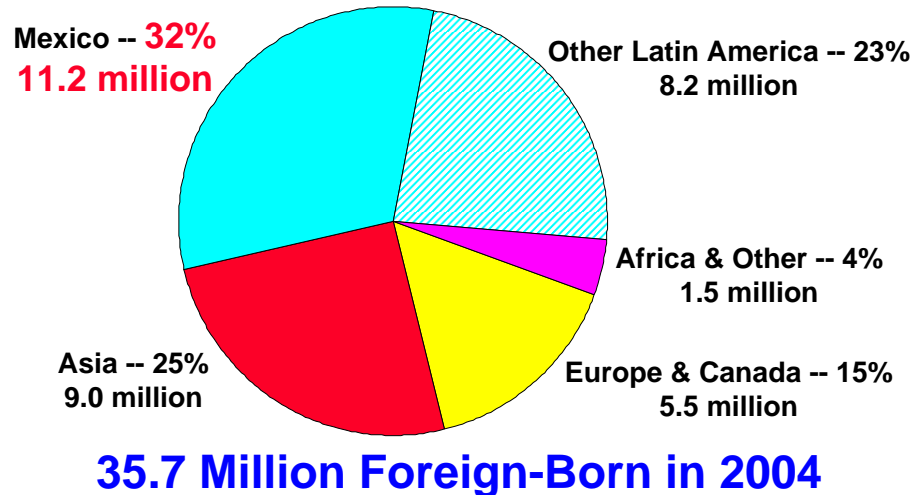
Millions of Immigrants



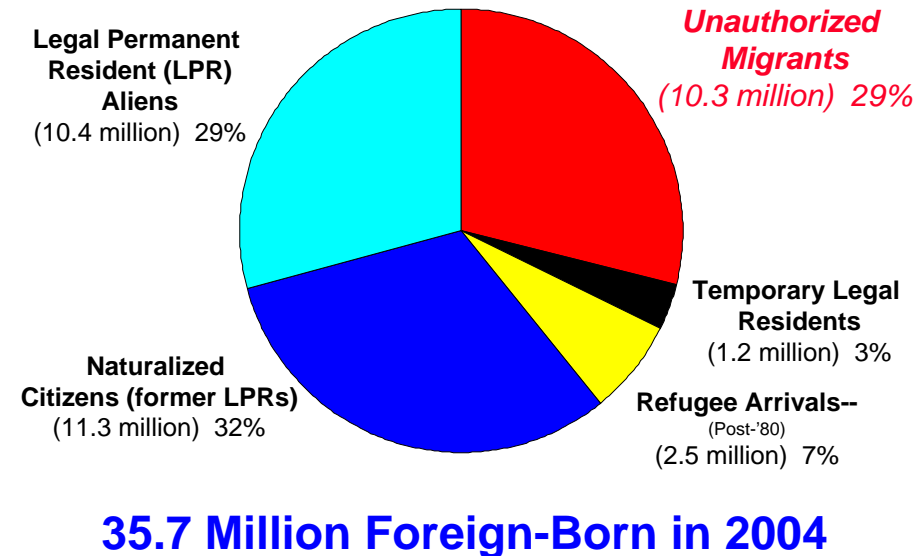
Immigrant Numbers at Peak -- Percentage is Not



Latin Americans & Asians Dominate Foreign-Born

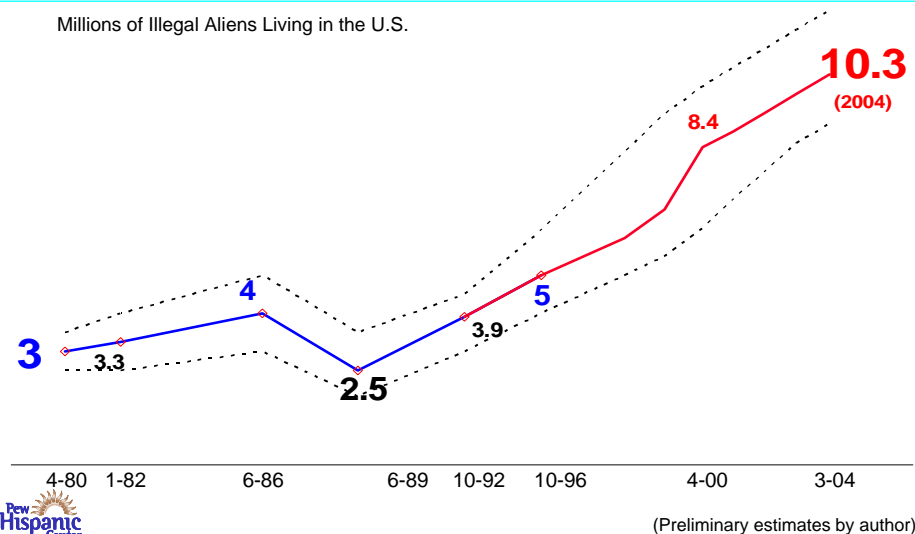


Legal Status of Immigrants



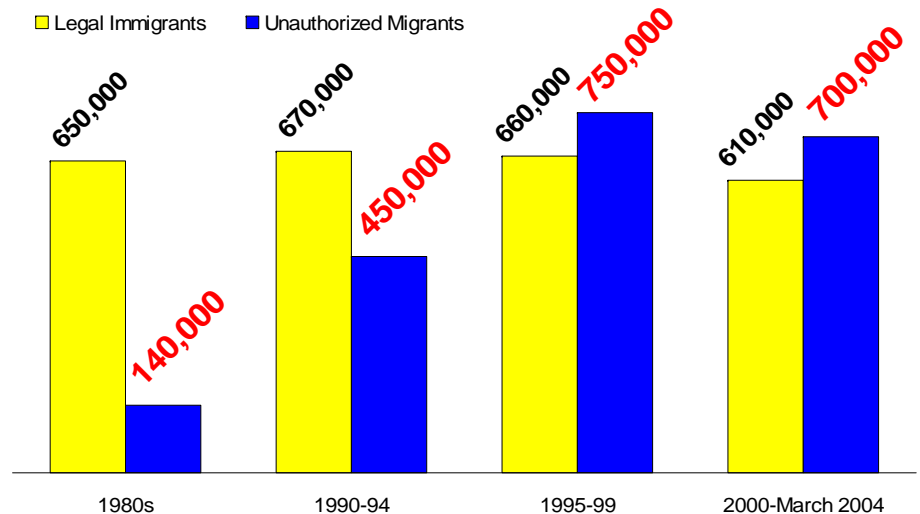
Undocumented Clearly at New High -- Trend Uncertain

Millions of Illegal Aliens Living in the U.S.

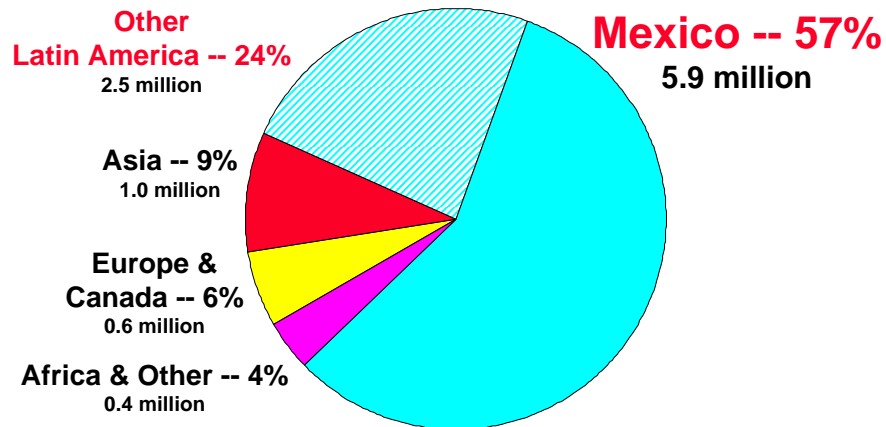


Annual Arrivals of Unauthorized Exceed Legals Since ~1995

Average Annual Arrivals of 2004 Population by Legal Status in 2004

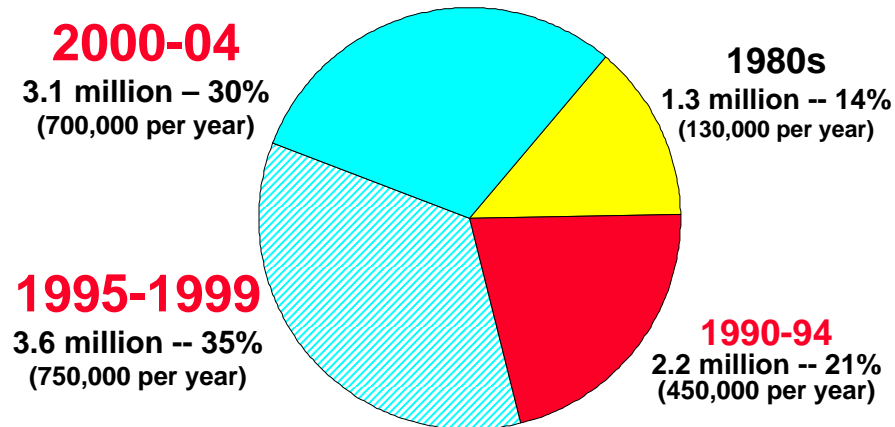


Undocumented Are Largely Latin American



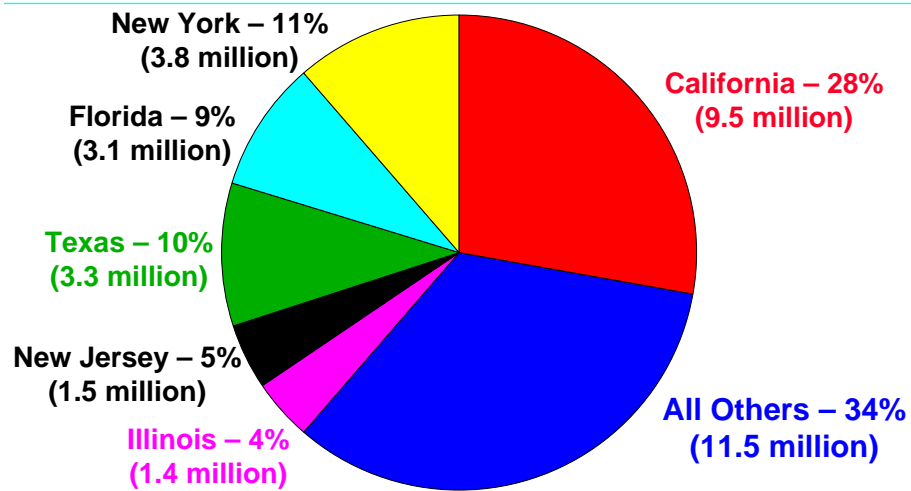
10.3 Million in March 2004

Most Undocumented Arrived Since 1990



10.3 Million in March 2004

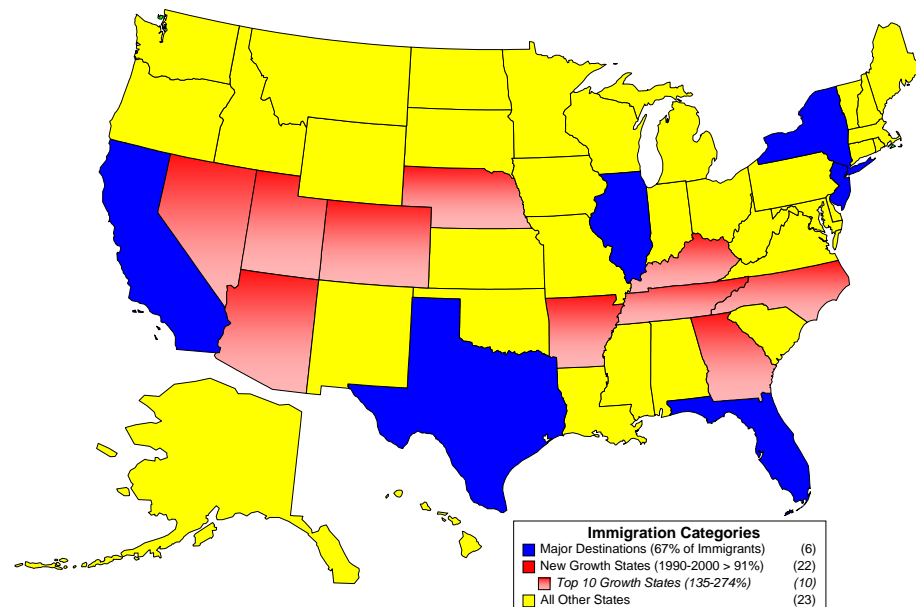
Immigrants Are Concentrated



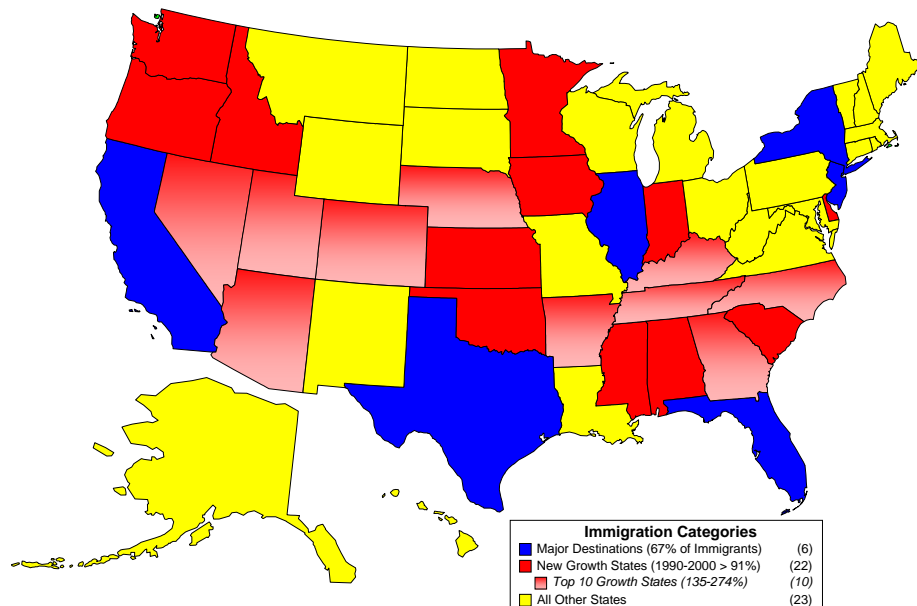
34.2 Million Foreign-Born

(Covered in March 2004 CPS)

Top 10 Growth States (% Change)



New Immigration Growth Centers



Role of Immigrants

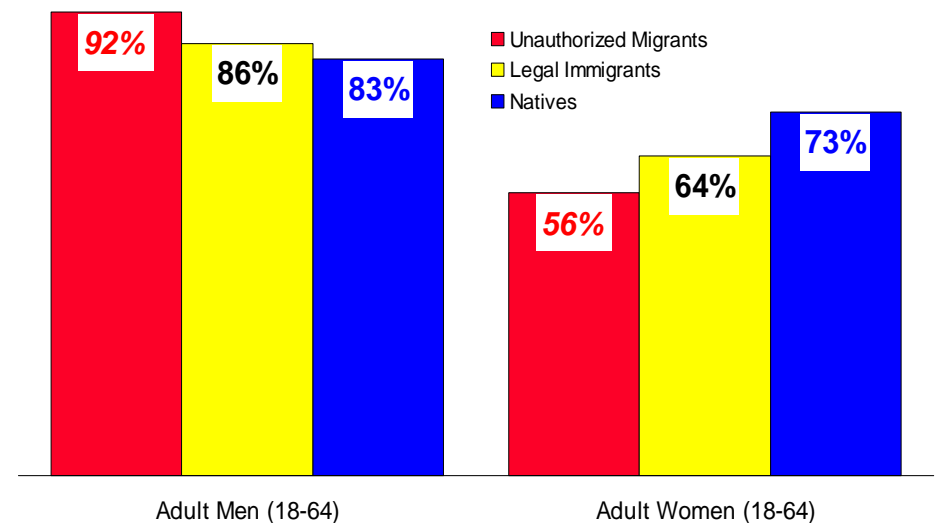
- **Immigrants are --**
 - **1 in 8-9 Americans**
 - **1 in 7 Workers**
 - **1 in 5 Low-Wage Workers**
- **Unauthorized are --**
 - **3 in 10 Immigrants**
 - **1 in 23 Workers**
 - **1 in 12 Low-Wage Workers**

Dimensions of Immigrant Human Capital

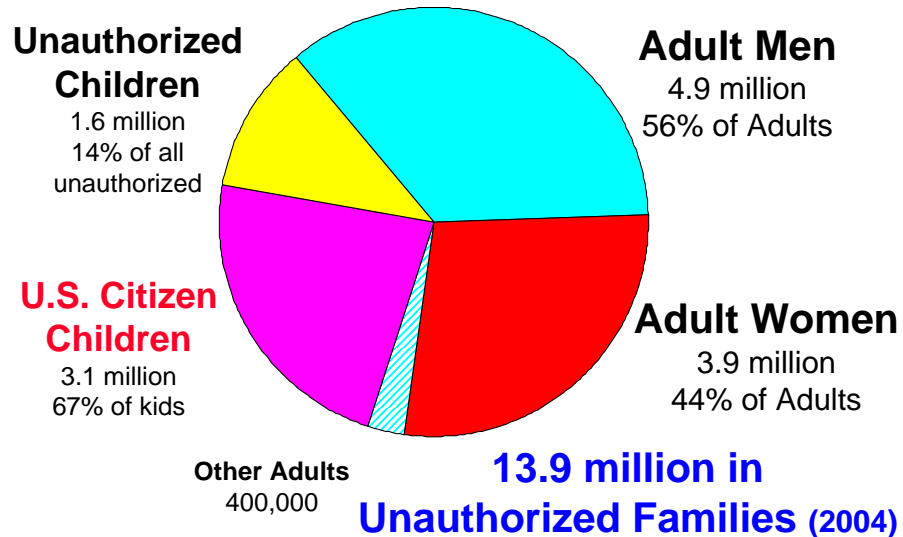
- *High Attachment to Labor Force*
- *“Mixed Status” Families*
- *Low Education for **Mexicans***
- *High Education for Others*
- *Low Incomes for Immigrants*
 - Large Households
 - Very Low Per Capita Income
- *Some Dynamic Integration*

Immigrant Men Work More; Women Work Less Than Others

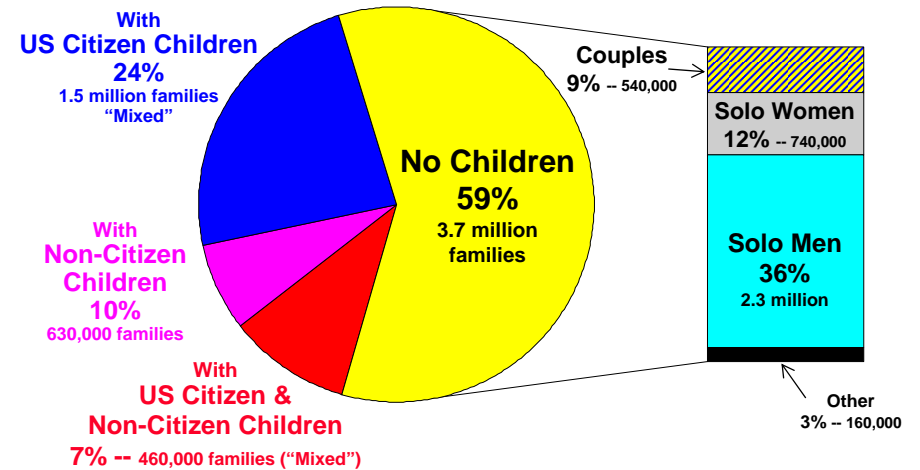
Percent in Labor Force, 2004



Unauthorized Families Mixed Composition



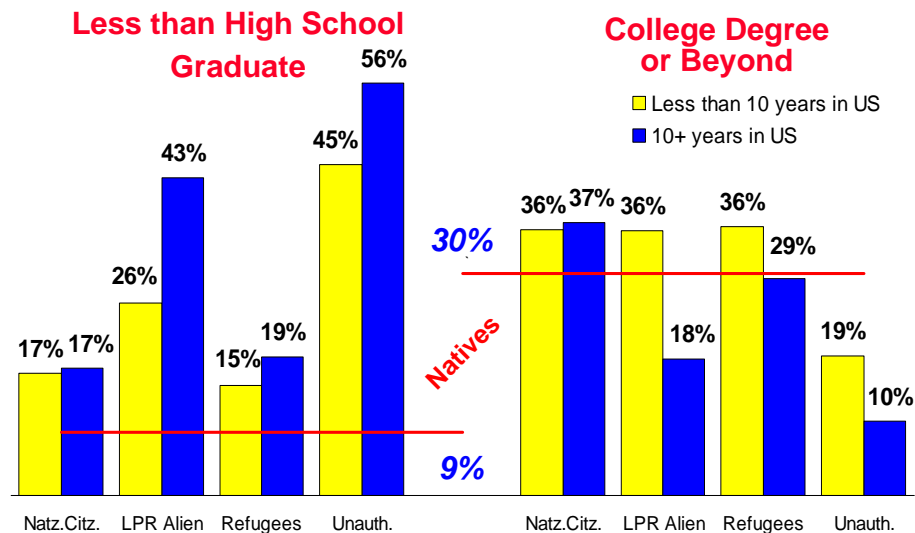
"Mixed Status" Families Common Among Unauthorized



6.3 Million Unauthorized Families

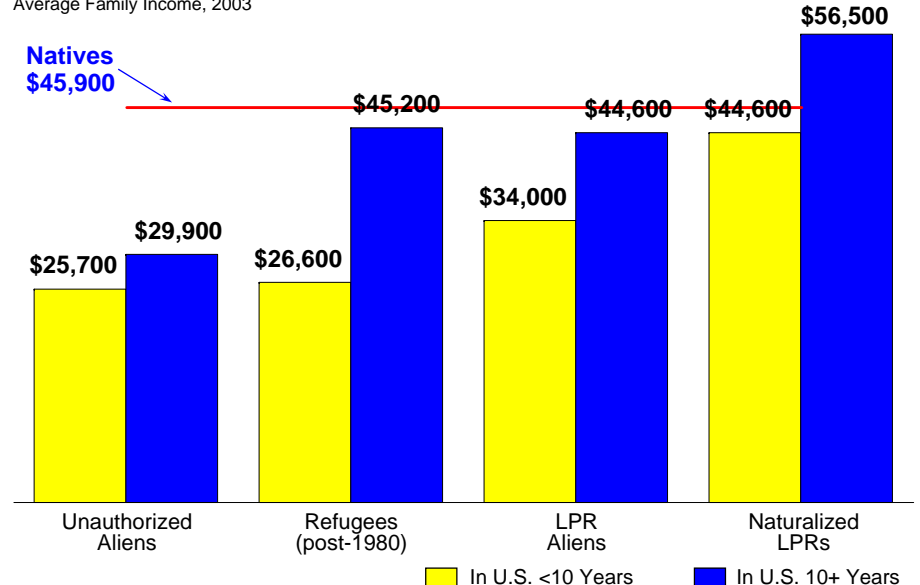
Education "Hourglass" & "Diamond"

Share of Each Group's 25-64 Population, 2004



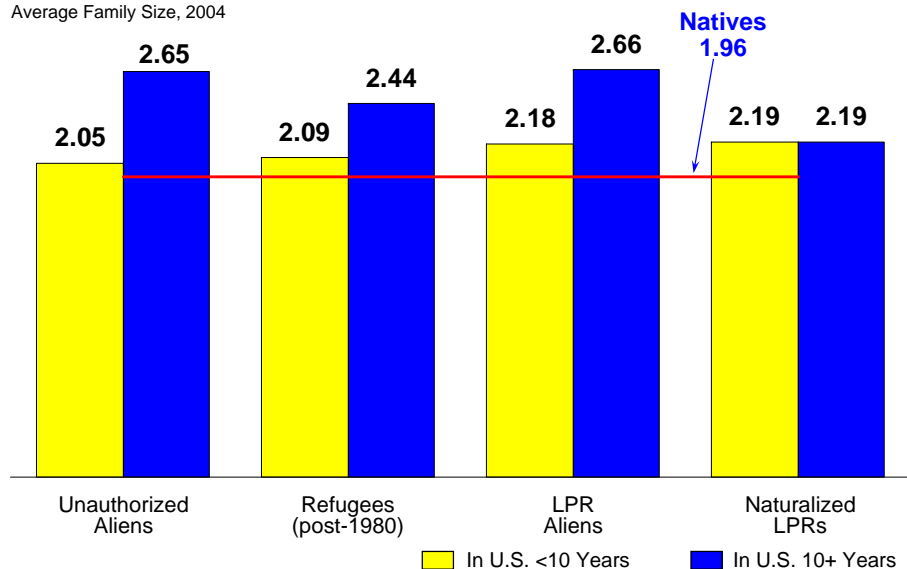
Incomes Increase with Time in US

Average Family Income, 2003



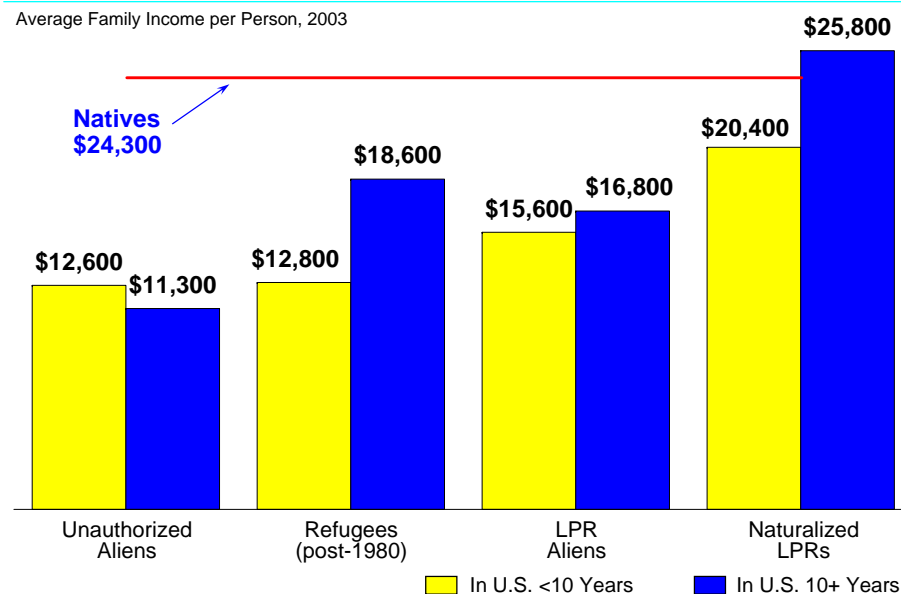
Immigrant Households Larger

Average Family Size, 2004



Income per Person Suffers

Average Family Income per Person, 2003

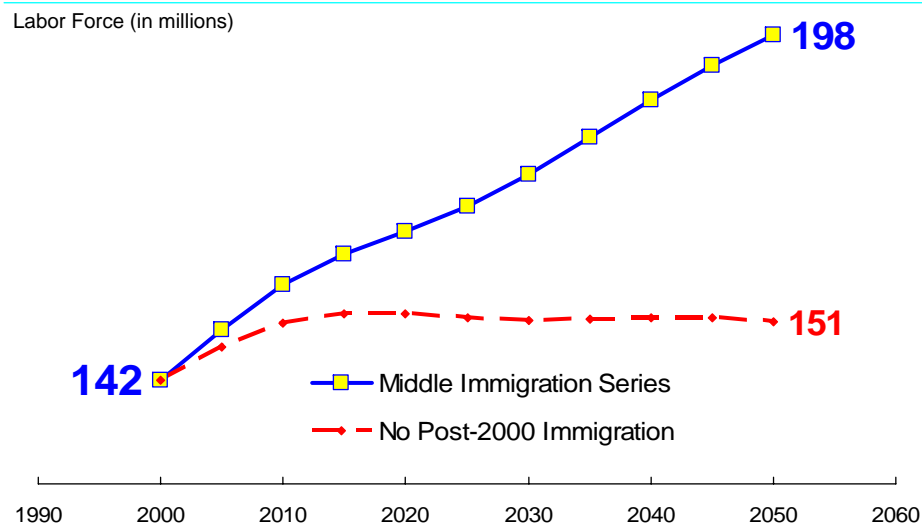


Projected Role of Immigrants in Work Force

- **Immigration Drives Growth**
- **Education Upgrading of LF**
 - Better Education
 - "Aging Out" of Low Education
- **Aging Population, 2010-2030**
- **Immigrants Help Social Security**
 - Relatively Small Impact
 - Offsets from More Children

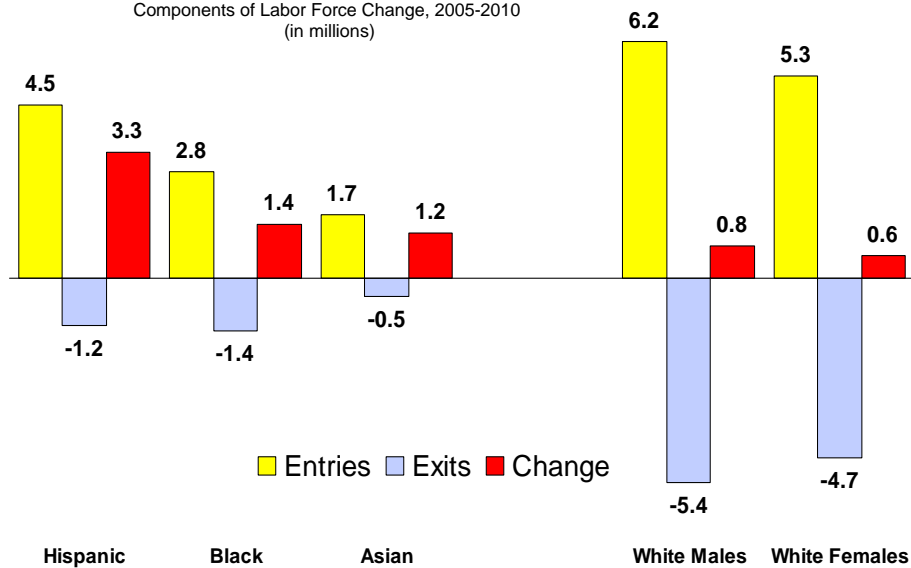
Labor Force Grows in Future Driven by Immigration (esp. after 2015)

Labor Force (in millions)



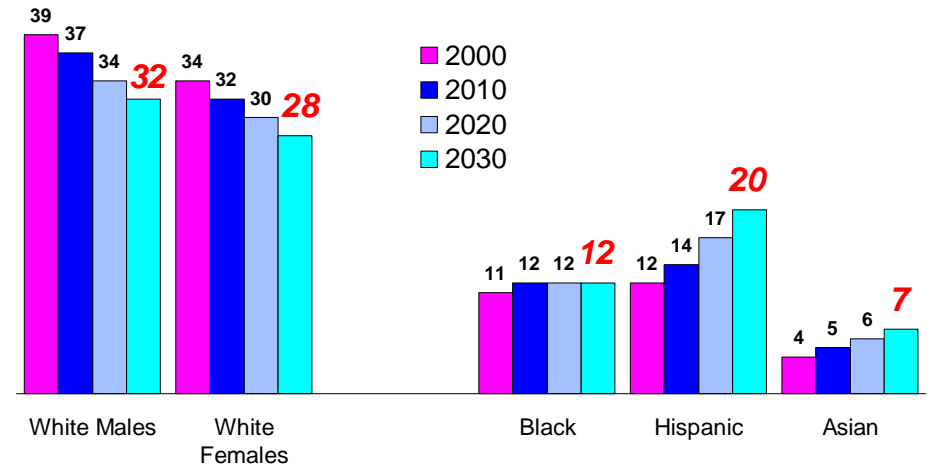
Minorities Dominate Labor Force Change But NOT Labor Force Entries

Components of Labor Force Change, 2005-2010
(in millions)



Labor Force Remains Largely Majority

Percent of Labor Force

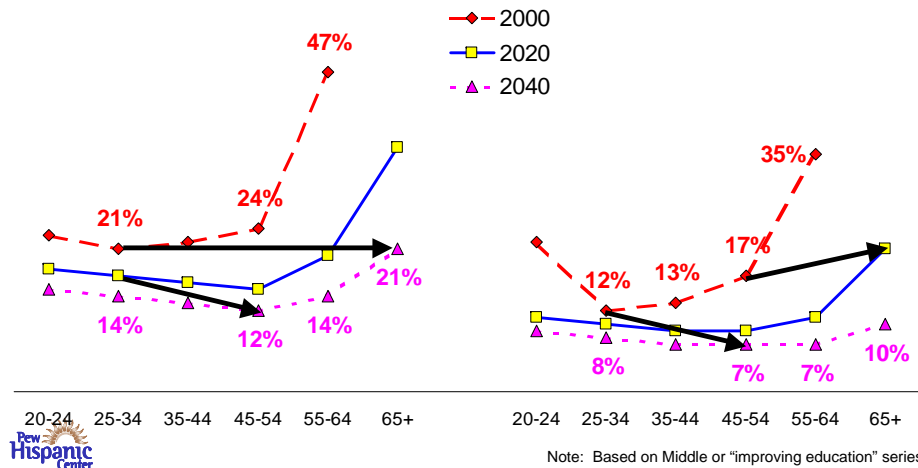


New Cohorts --> Better Education

Percent of Age Group with Less than High School Diploma

Hispanic Males --
3rd+ Generations

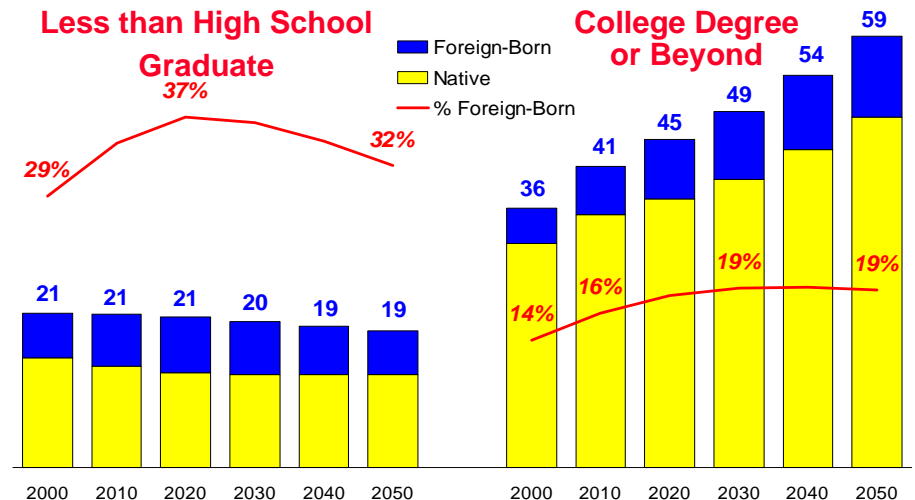
Black Males --
3rd+ Generations



Low Education LF Shrinks -- College Degree LF Explodes

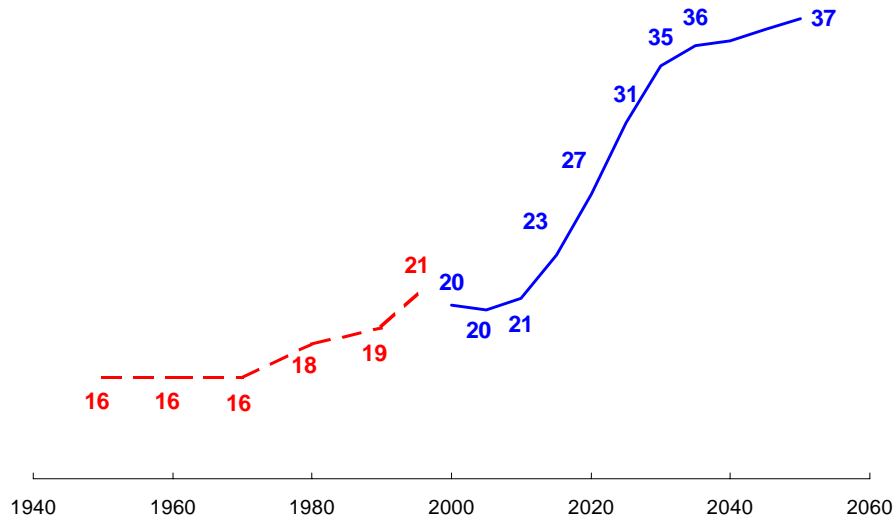
Labor Force by Education (in millions)

Percent Foreign-Born of Labor Force



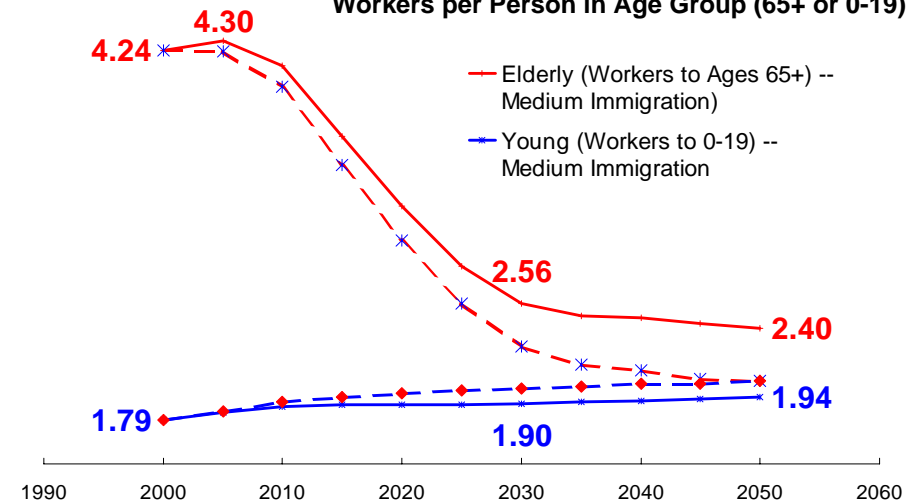
Population Ages After 2010

Persons Aged 65+ per 100 Persons Aged 20-64



Immigration Helps, But Does NOT "Save" Social Security

Workers per Person in Age Group (65+ or 0-19)



Conclusions

- Growing Numbers & Percents
- Many Undocumented
- Important to Labor Force
- Bi-Modal Distributions
- Offsets Aging Only a Little

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